weekly economic review

October 11, 2013

Labour Market

Unemployment rate drops; job growth moderates

Alberta's unemployment rate fell by a half-percentage point to 4.3% in September. The drop was largely the result of a decrease in the labour force, likely due to more young workers than usual returning to school. The province now shares the lowest unemployment rate among the provinces with Saskatchewan.

Alberta posted a net job gain of 4,000 in September. This follows robust job growth of over 15,000 in each of the previous two months. The gain was wholly in full-time positions (+7,500), as part-time positions declined.

Alberta has created 80,300 jobs since September 2012, and posted the highest year-over-year employment growth rate (3.7%) among the provinces.

Nationally, the unemployment rate dropped to 6.9%, its lowest level since December 2008.

Housing starts & new home prices

Alberta housing starts recover

Alberta housing starts increased to 30,500 (seasonally adjusted at annual rates) in September following August's sharp decline. Starts, however, remained below last year's level for the second straight month, bringing the year-to-date average to 35,100.

Canadian housing starts increased to 193,600 in September, largely due to gains in multi-unit starts.

Calgary leads national increase in new home price index (NHPI)

Calgary's NHPI grew by 6.1% compared with August 2012. Builders in Calgary reported that increased costs, and a shortage of developed land, helped push prices higher, according to Statistics Canada. The NHPI for Alberta was up 3.3% in August compared with last year.

Building Permits

Permits slip

The value of building permits in Alberta slid 2.6% in August compared with August 2012. The decline was primarily the result of a drop in residential permits (-8.7%), which posted the first negative year-over-year growth since mid-2011. Growth in non-residential permits (7.2%) helped offset the fall in residential permits, with industrial and commercial permits both posting strong growth.

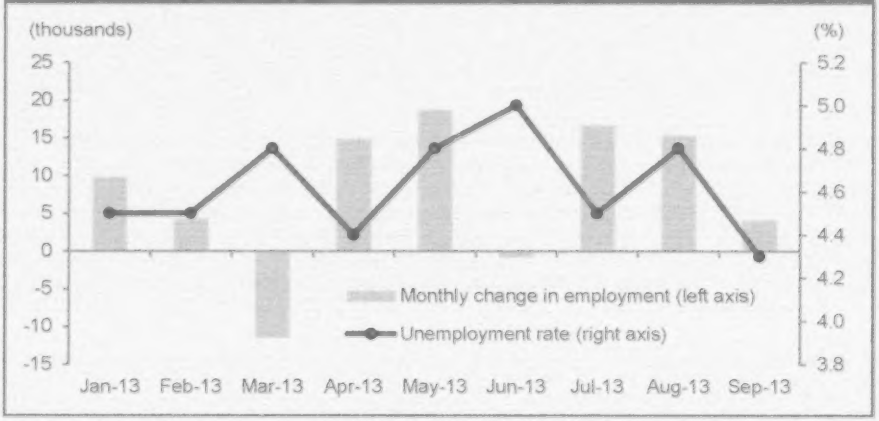
Locally, permits in Edmonton declined sharply, with the value of residential permits falling 14.9%. Permit values in Calgary were up 4.7%.

International Merchandise Trade

Alberta exports trending above last year

Total exports jumped 11.9% over August 2012, marking the second consecutive month of double digit increases. Energy products bolstered the increase, rallying 18.6% over the same month last year, helped by higher prices. Chemical, plastic & rubber products, the second largest export category, posted its ninth straight monthly gain.

Alberta employment growth and unemployment rate



Source: Statistic Canada

Closing Price	Oct. 3, 2013	Oct. 10, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	96.87	96.31	96.98
WTI Oil ($US/bbl)	103.31	103.01	100.17
NYMEX Natural Gas($US/MMBtu)	3.50	3.72	3.78

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Alberta Economic Indicators

Population	2011	2012	2013YTD	Apr	May	June	July	Aug	Sept
Population (000's)	3,790	3,889	4,025	3,982	--	--	4,025	--	--
y/y % change	1.5	2.6	3.5	3.2	--	--	3.5	--	--
Net Interprovincial Migration[1]	8,449	27,652	52,677	13,438	--	--	13,791	--	--
Net International Migration[1]	19,411	40,842	52,551	13,632	--	--	20,487	--	--
Net Non-permanent Residents[1]	7,251	10,085	19,560	6,774	--	--	10,472	--	--
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,195	2,183	2,201	2,201	2,217	2,232	2,236
y/y % change	3.8	2.7	2.4	1.9	2.8	2.6	3.0	3.6	3.7
NEW: Unemployment Rate (%), SA	5.5	4.6	4.7	4.4	4.8	5.0	4.5	4.8	4.3
Participation Rate (%), SA	73.7	73.4	73.0	72.5	73.3	73.1	73.0	73.6	73.1
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,101.73	1,099.83	1,119.34	1,109.80			
y/y % change	4.4	3.6	4.0	3.5	5.4	3.9			
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	1.3	2.3	2.3	2.2	1.4	--
Excluding food and energy	0.8	1.4	1.3	0.9	1.1	1.6	1.9	1.6	--
Non-Res Building Const. Price Index[2] (y/y % change)	3.4	3.8	1.1	--	--	0.9	--	--	--
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	4.9	5.9	5.3	--	--	--
Crops	19.0	6.7	8.0	7.0	7.2	5.9	--	--	--
Livestock	17.2	5.9	2.2	2.9	4.8	4.7	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.1	30.8	42.5	38.1	35.4	28.5	30.5
y/y % change	5.0	30.7	6.7	0.3	26.7	12.8	6.6	-2.7	-8.7
NEW: New Housing Price Index[2] (y/y % change)	0.4	1.3	2.7	2.5	2.7	2.9	3.0	3.3	--
Edmonton	0.9	0.9	0.6	0.4	0.2	0.6	0.6	0.8	--
Calgary	-0.1	1.7	4.9	4.7	5.3	5.3	5.8	6.1	--
MLS Average Resale Prices ($,000's)	352.7	362.0	377.7	375.8	376.6	376.5	378.7	387.9	--
y/y % change	0.5	2.6	4.9	4.0	2.9	4.4	4.9	6.8	--
Edmonton ($,000's)	324.2	332.7	341.7	345.3	339.6	344.7	340.4	347.3	--
y/y % change	0.7	2.6	2.9	4.7	1.1	3.7	2.9	4.1	--
Calgary ($,000's)	401.9	410.8	433.3	425.4	424.8	431.0	438.7	441.8	--
y/y % change	1.1	2.2	6.4	3.5	2.6	5.3	6.8	8.0	--
Retail Sales, SA (y/y % change)	6.8	6.9	6.6	6.9	7.4	7.9	6	--	--
New Motor Vehicle Sales (y/y % change)	9.6	10.5	5.6	19.7	7.0	3.4	6.5	--	--
Consumer Bankruptcies	7,029	5,759	2,945	464	434	375	385	--	--
y/y % change	13.8	18.1	18.8	11.3	15.7	22.5	21.3	--	--
Business Sector									
Rigs Drilling	286	250	232	115	88	115	187	239	251
y/y % change	30.4	-12.6	-5.7	18.2	0.3	-17.3	5.7	7.0	9.6
NEW: Goods Exports, customs based (y/y % change)	16.4	1.8	5.6	0.4	13.3	0.2	12.9	11.9	--
Energy	19.2	2.1	7.2	0.5	14.7	1.3	16.1	18.6	--
Farm, Fishing and Intermediate Food	27.2	20.6	-1.3	-6.4	7.1	-16.0	5.7	-20.7	--
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	--	--	--	--	--	--
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-3.8	-3.6	1.1	4.0	2.9	--	--
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.4	0.2	0.6	1.4	2.8	--	--
NEW: Building Permits, SA (y/y % change)	11.8	14.7	19.3	11.4	1.2	21.6	50.4	2.6	--
Residential	5.2	17.7	13.0	18.4	12.3	16.6	29.1	8.7	--
Non-residential	20.9	11.0	27.7	5.1	12.0	28.5	79.7	7.2	--
Business Bankruptcies	264	230	80	15	11	9	9	--	--
y/y % change	30.2	12.9	46.7	25.0	-60.7	59.1	43.8	--	--

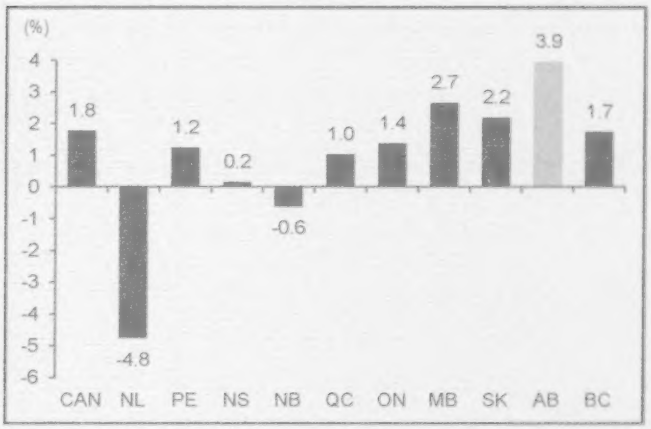
1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

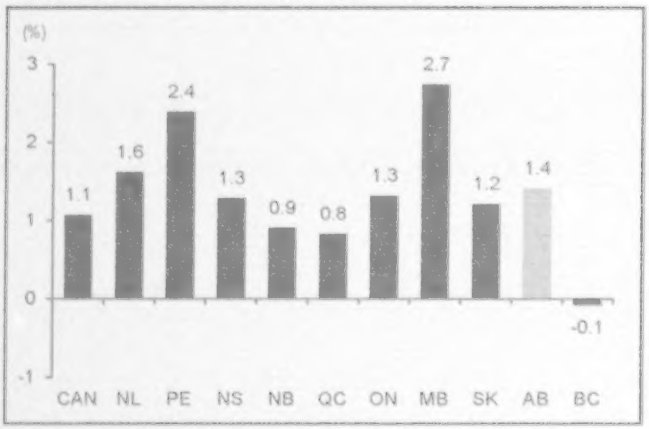
All historical data are subject to revision.

Economic Indicators by Province

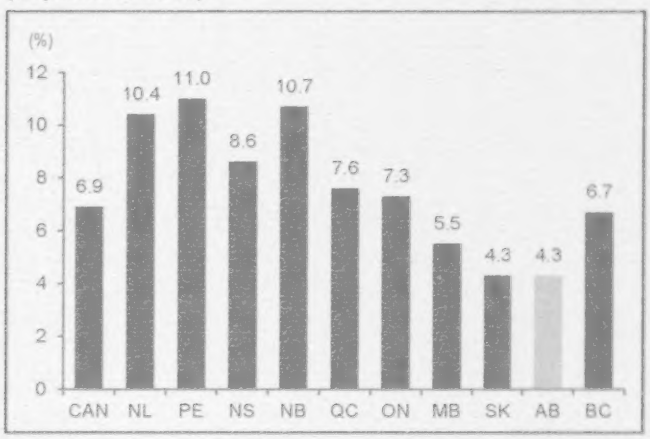
Real GDP by Industry
(2012, year-over-year growth)



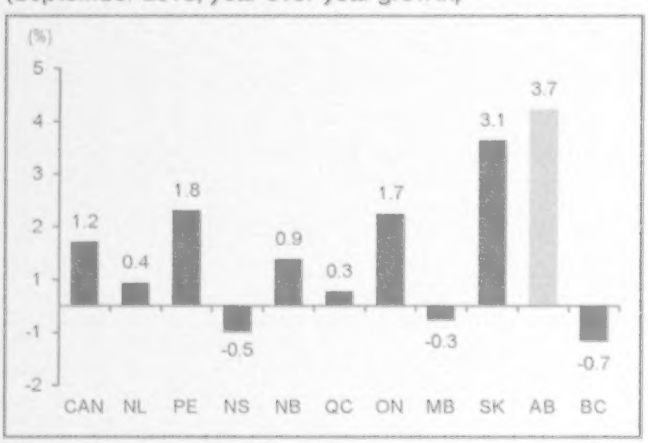
CPI Inflation
(August 2013, year-over-year growth)



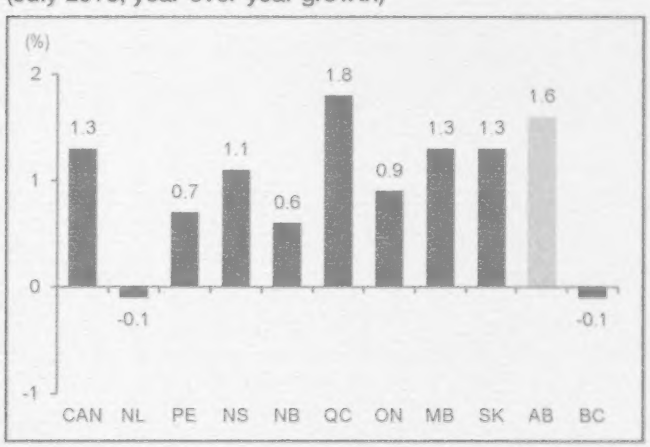
Unemployment Rate
(September 2013)



Employment
(September 2013, year-over-year growth)



Average Weekly Earnings
(July 2013, year-over-year growth)



Housing Starts
(September 2013, SAAR, year-over-year growth)